



NATIONAL ASSOCIATION OF
Manufacturers

July 9, 2014

Dear Representatives:

The National Association of Manufacturers (NAM), the largest manufacturing association in the United States representing manufacturers in every industrial sector and in all 50 states, urges you to support H.R. 4718, introduced by Rep. Pat Tiberi (R-OH).

Fifty percent first-year expensing allows manufacturers large and small to immediately write off half of the cost of an investment in new property and equipment in the year purchased, rather than depreciating the entire cost of an investment over time. This reduces the after-tax cost of an investment and will help spur much-needed purchases of new property and capital equipment. Making this policy a permanent part of the tax code will provide job creators of all sizes with the certainty needed for effective business planning, driving investment and job growth.

The expiration of this incentive at the end of 2013 has had a chilling effect on the economy with many manufacturers putting capital investment decisions on hold. Acting now to make 50 percent first-year expensing permanent will reduce this uncertainty and enable businesses to make investments that will increase jobs and productivity. Importantly, this legislation also includes critical provisions that allow companies to utilize Alternative Minimum Tax (AMT) credits in lieu of 50 percent expensing.

The NAM's Key Vote Advisory Committee has indicated that votes on H.R. 4718, including procedural votes, may be considered for designation as Key Manufacturing Votes in the 113th Congress.

Thank you for your consideration.

Sincerely,

Aric Newhouse
Senior Vice President
Policy and Government Relations
National Association of Manufacturers